

MEETING SUMMARY NOTES

Cost Savings and Efficiency Work Group

*January 14, 2003
4:00 p.m., Highlands Golf Course*

MEMBERS: Present - Jennifer Brinkman, Mark Brohman, Carol Brown, Jon Carlson, Brian Carstens, Duane Eitel, Mark Hunzeker, Rick Krueger, Greg MacLean, Melinda Pearson, Roger Reynolds, Jerry Schleich, Greg Wood, Patte Newman, Allan Abbot (non-voting)
Absent - Russ Bayer, Duane Hartman

OTHERS: Kent Morgan, Karen Jensen, Randy Hoskins, Michele Abendroth

AGENDA ITEMS DISCUSSION:

Part I: Setting the Context

1. Welcome, Opening Thoughts

Karen Jensen called the meeting to order at 4:09 p.m. Ms. Jensen stated that there are some introductory ideas on the agenda to help set the stage and then there are some more substantive items of discussion. Ms. Jensen then reviewed the agenda. She asked if there were any changes to the agenda; none were suggested.

Purpose and Process for Workshop

Ms. Jensen began by asking each of the members to create their own nameplate. She then stated that she would ask each member to give one comment about the work of this group thus far. Their comments are as follows:

- Jon Carlson -- existing neighborhoods and new neighborhoods. I am convinced of the value of new growth but it can't come at the expense of what we already have.
- Rick Krueger – this will be a very arduous process to go through
- Mark Hunzeker - it is important to focus on reality, particularly as it relates to the growth rates in the plan and the land that is likely to be used
- Mark Brohman – impact fees are something that will affect all of us, either directly or indirectly
- Greg Wood -- establish worthwhile and achievable goals

- Duane Eitel – responsible to the wide number of people
- Melinda Pearson -- worthwhile and not political
- Brian Carstens -- come up with solutions, not assumptions and excuses
- Greg MacLean -- keep an open mind and think outside the box
- Jerry Schleich -- implementation - how are we going to get these worthwhile thoughts implemented
- Roger Reynolds -- looking forward to getting something accomplished
- Carol Brown -- anxious to get going
- Jennifer Brinkman -- efficiency- the way that we evaluate the ideas should be efficient
- Patte Newman -- maintenance

Ms. Jensen stated that she is hearing that everyone is anxious to get into the substantive issues, so she felt it would be better served to adjust the agenda and move the “Timeline of Lincoln’s growth” to tomorrow’s meeting.

Review “Efficiency” Definitions

Ms. Jensen continued by reviewing the definitions of efficiency that the group members had completed at last week’s meeting. She stated that she asked the Department of Roads what their definition of efficiency was, and they stated it was *safety*. Mr. Reynolds stated that he felt that safety was “a given”. Ms. Jensen stated that she felt ‘safety’ must be specifically stated if we want to include that in our criteria.

Ms. Jensen then stated that she had created a list of general themes after reviewing the list of efficiency definitions. Ms. Jensen continued by stating that we must have a list of criteria to evaluate any of the ideas that the group defines. Mr. Carlson stated that one of the recurring themes that he saw was *maintaining the quality level of service*. Ms. Pearson stated that she feels that adding *safety* to the list of criteria is a good idea. Mr. Carlson stated that if we are trying to construct a judgement mechanism, he feels that the outcome should be to cut costs or save time while maintaining the same level of service. When asked what he meant by saving time, Mr. Carlson stated that he is assuming that it either means the private sector saving time or the city saving time. Another criteria stated was to keep things as *simple* as possible. Mr. Carlson stated that he agrees with that criteria but he feels that the criteria of quality of life is missing in that. Mr. Carlson asked if our goal was to increase efficiencies, and if it is, the question for us to answer is as follows, Is there any way for us to implement this vision in a more cost effective or timely manner without compromising quality of life?

Mr. MacLean then asked if we need to gauge our themes by the Comp Plan. Ms. Pearson stated that the Comp Plan is a very lengthy and complex document, and we should work outside that area.

Mr. Krueger asked if there are any items on the list that Public Works would not be able to address. Allan Abbott answered no, but there are some ideas that are very minor and may not be

worth addressing.

Part II: Addressing the Ideas

How do we approach the ideas on our lists?

Ms. Jensen stated that sheets have been distributed showing the total values of the items which were rated by each of the members. Ms. Jensen then addressed Table 2 which was ranked according to the weighted values and suggested that we focus on the issues that received the highest ranking. Upon consideration by the group, it was decided to discuss all of the issues, but the order of discussion would be based on the highest ranking issues regardless of category.

Analysis of Ideas

Issues concerning Right-of-Way under Systems and Processes were discussed. Items D (Advanced Acquisition of right-of-way (ROW) Along Arterial Corridors), E (Right-of-Way Acquisition Policy) and F (Increase City's Right-of-Way Acquisition Staff and Resources) all deal with right-of-way.

One of the members asked what the current policy for purchasing right-of-way is. Allan Abbott responded that the city is currently not authorized to purchase right-of-way until projects have been advanced in the Capital Improvement Plan (CIP) and then authorized by the City Council. Mr. Abbott also stated that the last couple years we have put in a small amount to buy right-of-way for projects that are scheduled in the third and fourth year of the CIP, so we have the right-of-way when it starts. We are working with the county now, so if the county is buying right-of-way in the county area, the city will reimburse them for it. We have an agreement with the county and will formalize it to go to the county board and city council.

A question was asked if the city can file corridor protection. Mr. Abbott answered that the city does not have authority to file corridor protection.

Mr. Hunzeker stated that the place that you really save money is with the joint acquisition of right-of-way with the county. That is where you have the opportunity to buy right-of-way at farmland prices. As far as other acquisition of right-of-way in the city, if you are developing next to it, the developer is going to end up dedicating all the right-of-way necessary for his half of the street that is going to be developed. Mr. Hunzeker continued by stating that the city has always been vigilant about picking up bits and pieces of right-of-way, along with every subdivision or every little special permit along the street where they expect to need right-of-way in the future. Going out and buying an extra 10 feet of right-of-way along a city street where you don't expect to do anything for quite a long time probably isn't going to save you money unless it is in conjunction with the county and it is outside the city now. Mr. Hunzeker stated that now that we are doing the joint acquisition with the county, he feels that there isn't any

legitimate criticism about the city's acquisition of right-of-way. He stated that they have done it reasonably aggressively. If anything can be said about it, there are instances where plans have not been completed soon enough for the right-of-way staff to go out and acquire right-of-way in order to get things started on time, but that is not a policy issue. Mr. Abbott stated that he agreed with Mr. Hunzeker. Mr. Carlson asked if there was a formal joint policy with the county. Mr. Abbott stated that the city is currently working on a Memorandum of Understanding, and that it would help to have this group's endorsement on that issue. The group came to a consensus regarding a recommendation being brought forth to the Infrastructure Finance Committee, as follows: ***The City should continue to pursue a formal Memorandum of Understanding with the county for joint acquisition policies and procedures.***

The next issue discussed was the time frame to acquire property. A member of the group suggested that this is a legal issue. Kent Morgan stated that it is part of the group's charge to discuss changes in statutes to be more efficient. Mr. Abbott expressed that there is a long process to go through to acquire property, some of it dealing with public relations. Mr. Krueger stated that we are primarily talking about new projects. Mr. Hunzeker stated that if we do the job that we're talking, that is, acquiring right-of-way in advance outside the city, this is hardly ever going to come up, and you will always deal with it and you can't change it, as it is constitutional. The recommendation, written as follows: ***Condense time frame for short-term acquisition policy inside city***, was ***not*** approved as a recommendation by the group.

Mr. Abbott stated that we have to get the right-of-way plans to the right-of-way staff earlier and give them time to do it. Mr. Hunzeker stated that can save some time, but in terms of the big scheme of things, the amount of money that you save is very small. Mr. Schleich posed the question regarding legal issues that may hinder the progress of this recommendation. Ms. Jensen stated that this group should develop recommendations and then have them evaluated internally or at the January 30th Open House. Mr. Schleich questioned if the group consensus was to ask that policies be changed if the group endorses a specific recommendation. Mr. Hunzeker stated that recommendation #2 has to do with short-term acquisition policies that have expressed some staff frustration with the time that it takes to acquire property after a project has been approved. That is different from advanced acquisition outside the city. He stated that he didn't think that there is much in the way of efficiency or cost saving that you can gain from recommendation #2, even if the legal issues were resolved. Outside of getting the plans to the right-of-way staff sooner, he felt that we were doing everything that could be done. Mr. Abbott commented that the only policy that may not be a law that would have to be looked at is if we could start buying right-of-way earlier; as an example, if we got project A in year 2004, allow us to buy the right-of-way in the year 2003, instead of waiting until 2004, which is different than changing the rules about negotiating. The recommendation, as follows: ***Get early start for acquisition by getting plans to right-of-way staff sooner; this could involve internal policy changes, but not changing statutes*** was decided to be considered as a final recommendation.

A group member (?? Greg MacLean??) suggested that no matter what you change, if you don't have the staff in place to get the recommendation accomplished, the recommendation does not matter. Mr. Abbott stated that we have most of this work done by outside staff, not city staff, so

the question becomes, are there enough negotiators and/or appraisers to do the work? To answer the question, is staff adequate, he stated that it is almost adequate. And if it isn't, it would not be a major increase in staff, and Marc Wullschleger would have to make that determination. He continued by stating that staff is adequate. Mr. Hunzeker stated that he didn't feel that there is a shortage of staff, and commented that either the resources are there or they aren't. Either you have the money to build the project, or you don't, so he didn't see this as an efficiency issue. Ms. Pearson stated that she felt that #3 fails our criteria of cutting cost or saving time, and asked why are we discussing this recommendation. ?? commented that he has been hearing that there are not enough appraisers, which is causing delays. Mr. Abbott stated that is a fact, but it also has to do with getting the plans sooner and how you schedule it.

Mr. Scheich asked if there are more efficient ways in acquiring right-of-way that are being utilized by other public bodies. He stated that this question is coming up because of eminent domain. Mr. Abbott stated that it is quicker, but it is a public relations matter, because to go out and condemn immediately is something that most elected officials don't like to do, except in critical projects. He also stated that if you go straight to eminent domain, you save negotiation time, but it is risky. Mr. Hunzeker stated that you can't just go file a lawsuit. That is not the procedure, as there is a statutory procedure that is required of good faith negotiation. The standard resolution that the council passes to authorize acquisition of right-of-way says that the public works department and law department, are authorized to acquire, through negotiations, if possible, eminent domain, if necessary. He continued by stating that he didn't feel that everything we do is necessarily required by the constitution. The only thing that is required constitutionally is that property that is acquired for public purpose be compensated at fair value.

Ms. Newman commented that she would like to see a statement added regarding staff availability to accomplish that recommendation. Ms. Pearson stated that she didn't feel adding that statement met our requirements of cutting costs or saving time, so it should not be added.

?? Greg ?? posed a question regarding whether the city of Lincoln can only spend money in the first year of the CIP. Mr. Abbott answered that the only thing that money is appropriated for is in the first year, so if it is not in that year, you can't spend money on it, which includes right-of-way. Right-of-way acquisition would have to be listed in the first year to be able to buy right-of-way.

Preparations for tomorrow

Ms. Jensen discussed tomorrow's agenda and asked the members how they would like to proceed tomorrow. The group decided that they would continue the discussion with the next highest ranking issues.

Mr. Abbott asked the group to consider discussing a procedure which is very restrictive regarding contracts that go over one year. If it is going to take two years to build a project and we're going to spend money over two years, you have two ways of doing it: 1) save all the money until you have all the money that you need for the project; or 2) let it, then get the money

appropriated for the first year and the second year. The problem with that is that anything beyond the first year takes special dispensation by the city council to do. If we can start project A with one-half of the money and have next year's appropriation for the second half, we can save time and money.

Closing Comments, Adjourn

Ms. Jensen adjourned the meeting at 5:57 p.m.